

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
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UNCLAS SECTION 01 OF 02 TOKYO 07688

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SUBJECT: SPRING WAGE NEGOTIATIONS: RAIL STRIKES END

REF: (A) TOKYO 7134, (B) TOKYO 7375

SUMMARY. NATIONAL RAILWAY STRIKE CALLED OFF EVENING
APRIL 26 AFTER ARBITRATORS OF PUBLIC CORPORATION WORKERS
WAGE DISPUTE INDICATED THEY WOULD RECOMMEND AVERAGE
5.4 PERCENT OR \$39 MONTHLY INCREASE. SOHYO-LED ANNUAL
"SPRING WAGE OFFENSIVE" FESTIVAL HAS NOW CLIMAXED,
PRODUCING PREDICTABLE SURGE OF RESENTMENT AGAINST PUBLIC
SERVICE UNIONS ON PART OF COMMUTING PUBLIC AS WELL
AS OUTBURST OF CRITICISM BY MEDIA BECAUSE OF TRAFFIC
SNARLS AND BUSINESS LOSSES CAUSED BY ILLEGAL STRIKES.
POSSIBILITY THAT GOJ WILL GRANT EVEN LIMITED STRIKE
RIGHT TO PUBLIC ENTERPRISE UNIONS NOW MORE REMOTE
THAN EVER BEFORE. END SUMMARY.

1. NATIONAL RAILWAY WORKERS (KOKURO) CALLED OFF NATIONAL
RAIL STRIKE (REFTEL B) BY EVENING APRIL 26 AFTER
WAGE DISPUTE BETWEEN UNIONS AND MANAGEMENT OF PUBLIC
CORPORATIONS (WHICH INCLUDE NATIONAL RAILWAYS, POSTAL
SERVICE AND TELEPHONE AND TELEGRAPH SERVICE) ENTERED
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BINDING ARBITRATION UNDER AUSPICES OF PUBLIC CORPORATION
LABOR RELATIONS COMMISSION (KOROI). ARBITRATION BEGUN
IMMEDIATELY FOLLOWING FAILURE OF KOROI MEDIATION EFFORTS
DURING WHICH UNIONS AND RESPECTIVE MANAGERMENTS REJECTED
KOROI COMPROMISE PROPOSAL OF AVERAGE 5.4 PERCENT
(8,674 YEN \$39.07 AT\$1 222 YEN) WAGE INCREASE FOR
PUBLIC CORPORATION WORKERS. MANAGEMENT'S LAST OFFER WAS

3.8 PERCENT (6,180 YEN) WHEREAS UNIONS TO VERY END INSISTED ON AT LEAST 6.8 PERCENT, SIZE OF INCREASE GRANTED TO PRIVATE RAILWAY WORKERS ON APRIL 25. WHILE ARBITRATION PROCESS EXPECTED TO TAKE TWO TO THREE WEEKS, FINAL SETTLEMENT, AS IN YEARS PAST, EXPECTED TO BE VERY CLOSE TO KOROI'S MEDIATION PLAN, WHICH WOULD GIVE NATIONAL RAILROAD WORKERS 5.16 PERCENT (9,000 YEN - \$40.54), TELEPHONE AND TELEGRAPH WORKERS 5.57 PERCENT (8,332 YEN - \$37.53), POST OFFICE WORKERS 5.61 PERCENT (8,605 YEN - \$38.76), TOBACCO MONOPOLY WORKERS 5.52 PERCENT (8,785 YEN - \$39.51). AS SOON AS ARBITRATION COMMENCED, WORKERS IN NATIONAL RAILROADS, BUS AND SUBWAY LINES RESUMED WORK, AND BY MORNING APRIL 27, COMMUTER TRAFFIC, HOPELESSLY SNARLED ON APRIL 25 AND 26, HAD RETURNED TO NORMAL.

2. WITH END OF NATIONAL RAILWAY STRIKE, WHICH HAS TRADITIONALLY BEEN CLIMAX OF SOHYO-SPONSORED SPRING WAGE "STRUGGLE," FURTHER COORDINATED, NATIONWIDE STRIKE ACTIONS ARE NOT EXPECTED. HOWEVER, WAGE NEGOTIATIONS IN MOST INDUSTRIES BEGAN UNUSUALLY LATE THIS YEAR. NOT ONLY SMALL AND MEDIUM SIZED FIRMS, WHICH NORMALLY CONCLUDE NEGOTIATIONS AFTER MAJOR FIRMS WAGE HIKES DECIDED, BUT ALSO SUBSTANTIAL NUMBER OF LARGER FIRMS, WILL CONTINUE NEGOTIATING DURING NEXT SEVERAL WEEKS. ACCORDING TO FEDERATION OF EMPLOYERS' ASSOCIATIONS (NIKKEIREN) SURVEY ISSUED APRIL 27, OF 326 UNCLASSIFIED

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MAJOR JAPANESE COMPANIES, ONLY 42 PERCENT HAVE SO FAR REACHED AGREEMENTS WITH THEIR UNIONS. WHILE AVERAGE WAGE INCREASE GRANTED IN THESE AGREEMENTS IS 6.1 PERCENT (9,469 YEN - \$42.65), NIKKEIREN SURVEY INDICATES THERE ARE SUBSTANTIAL VARIATIONS BETWEEN INDUSTRIES HARD-HIT BY RECESSION SUCH AS SHIPBUILDING, WHERE INCREASES HAVE BEEN LOW OR EVEN ZERO, AND THOSE PERFORMING WELL DESPITE RECESSION, SUCH AS NEWSPAPER PUBLISHERS (KYODO NEWS SERVICE EMPLOYEES RECEIVED 9.94 PERCENT PAY RAISE).

3. COMMENT: TRADITIONALLY, COMPROMISE MEDIATION PLAN PRESENTED BY KOROI CHAIRMAN TO UNION AND MANAGEMENT IN PUBLIC CORPORATIONS IS ALWAYS OFFICIALLY REJECTED BY BOTH SIDES. HOWEVER, BECAUSE KOROI CAREFULLY NEGOTIATES BEHIND THE SCENES WITH UNION AND MANAGEMENT BEFORE PUBLICLY ANNOUNCING SUGGESTED WAGE HIKE, AND BECAUSE KOROI HAS AUTHORITY TO IMPOSE WAGE SETTLEMENT THROUGH BINDING ARBITRATIONS WHICH FOLLOW FAILURE OF MEDIATION, ITS "MEDIATION PROPOSAL" HAS GENERALLY BECOME BASIS FOR ITS FINAL ARBITRATION SETTLEMENT. THUS, SHAPE OF ULTIMATE SETTLEMENTS FOR PUBLIC CORPORATIONS REGARDED AS VIRTUALLY DECIDED, AND ARBITRATION PROCESS IS LARGELY PRO-FORMA

EXERCISE.

4. VERY SWIFT CANCELLATION OF STRIKE BY NATIONAL RAILWAY WORKERS (WHO ACCORDING TO SOURCES IN SOHYO, HAD MADE PREPARATIONS TO RETURN TO WORK ON MOMENT'S NOTICE EVEN BEFORE BEGINNING STRIKE) INDICATES WEAK POSITION OF PUBLIC CORPORATION WORKERS IN GENERAL THIS YEAR. PATTERN SET BY EXCEPTIONALLY LOW 4 PERCENT WAGE BOOST WON BY TRADITIONAL PRIVATE INDUSTRY LEADERS, STEEL WORKERS, AS WELL AS BY SLIGHTLY OVER 5.5 PERCENT GRANTED TO PRIVATE RAILWAY WORKERS (REFTELS). EVEN IN BOOMING INDUSTRIES,

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WAGE INCREASES WON ARE BARELY SUFFICIENT TO COVER 6.8 PERCENT RISE IN LAST YEAR'S CONSUMER PRICE INDEX. WITH PRIVATE SECTOR WORKERS, NOTED FOR HIGH PRODUCTIVITY, RECEIVING SUCH LOW WAGE HIKES, PUBLIC CORPORATION WORKERS, WHO ARE CONSTANTLY SUBJECT TO MEDIA ATTACK FOR "FEATHERBEDDING" AND OVERSTAFFING, WERE IN POOR POSITION TO DEMAND HIGHER SETTLEMENTS. THIS YEAR PUBLIC CORPORATION WORKERS' BARGAINING POSITION FURTHER WEAKENED BY CONTRAST BETWEEN JOB SECURITY IN PUBLIC SECTOR AND GRAVE CONCERN OVER THREAT TO LIFETIME EMPLOYMENT SYSTEM, BECAUSE OF STAGNATING ECONOMY, IN PRIVATE SECTOR. MOREOVER, DECISION BY POSTAL WORKERS (ZENTEI) TO FOREGO PARTICIPATION IN ILLEGAL STRIKES (REFTEL B) REPRESENTED FIRST BREAK IN HERETOFORE SOLID FRONT OF PUBLIC CORPORATION WORKERS AND HELPED UNDERMINE THEIR OVERALL BARGAINING POSITION. FINALLY, PUBLIC ANTIPATHY TOWARD ILLEGAL TRANSPORTATION STRIKES HAS GROWN TO POINT WHERE STRIKES ONLY STRENGTHEN HAND OF GOJ IN WAGE NEGOTIATIONS. WEAKNESS OF PUBLIC SECTOR UNION SOLIDARITY, AND DISTASTE FOR TRANSPORT STRIKE AMONG BOTH PUBLIC AND UNION LEADERS DISPLAYED

THIS SPRING CASTS FURTHER DOUBT ON ALREADY DIM PROSPECTS
FOR PUBLIC SECTOR WORKERS ACHIEVING LONG-SOUGHT RIGHT
TO STRIKE ANYTIME IN NEAR FUTURE. WHILE KOKURO LEADERS
FEEL OBLIGED TO CALL FOR LARGE-SCALE STRIKE ACTION TO
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MAINTAIN CONTROL OVER MORE HOT-BLOODED MILITANTS IN A
FEW MAJOR URBAN LOCALS, CANCELLATION OF STRIKE LESS THAN
HALF-WAY THROUGH ORIGINAL SCHEDULE PROVIDES FURTHER
EVIDENCE THAT THERE IS LITTLE ENTHUSIASM FOR CONTINUED
USE OF STRIKE WEAPON BY RANK AND FILE IN TRANSPORT UNIONS.
5. IN THESE CIRCUMSTANCES, PUBLIC CORPORATIONS' 5.4
PERCENT WAGE BOOST, ALTHOUGH IT FALLS WELL BELOW BOTH
LAST YEAR'S 9.2 PERCENT AND UNION REAL GOAL FOR THIS
YEAR OF 6.8 PERCENT, PROBABLY REPRESENTS BEST PUBLIC
CORPORATION WORKERS COULD HOPE FOR. UNLIKE PRIVATE
SECTOR WORKERS, PUBLIC CORPORATION WORKERS NEGOTIATE
THEIR TWICE-YEARLY BONUSES SEPARATELY, AND IN THESE
NEGOTIATIONS, UNIONS SHOULD BE ABLE TO MAKE FURTHER WAGE
GAINS.

6. FINALLY, TWO JAPANESE STYLE HAIKU POEMS IN
TODAY'S MASS CIRCULATION ASAHI BEST SUM UP POPULAR
REACTION TO RAIL STRIKE AND ITS AFTERMATH:

"MY HUSBAND DOES NOT COME HOME TONIGHT
BECAUSE OF THE SPRING OFFENSIVE
AND THERE IS SPRING THUNDER."

"AFTER THE SPRING OFFENSIVE IS OVER
WE SHOVE PEOPLE INTO THE CROWDED TRAINS."
SHERMAN

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